



# RETIREE NEWS

Summer 2005

## 2005 Legislative Wrap-Up

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### Retirement Board

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The 2005 legislative session ended June 6, 2005, with a special session ending at 2:00 p.m. on June 7<sup>th</sup> to complete the tax rebate request by the Governor. Throughout the session, PERS maintained its vigilance on issues of importance to our members, beneficiaries, and employers. The System did not propose any fiscal legislation this session, however our technical bill, Senate Bill 328 passed and was signed by the Governor on June 8<sup>th</sup>, making minor modifications to certain specific provisions within Chapters 1A and 286 of the Nevada Revised Statutes. The bill becomes effective July 1, 2005. Specifically, the bill:

- Modifies the requirements for a qualified domestic relations order. Before the change, the law required the domestic relations order contain the Social Security number of the member and its alternate payee. PERS' requested modification removes the number because the order may be a public record when held by the court. PERS will still require the parties to provide Social Security numbers privately to the System.
- Modifies the law governing survivor benefits to children of deceased members. Pre-July 1, 2005, a child's survivor benefit could be continued between the ages of 18-23 as long as the child continuously remained a full-time student. If the child failed to maintain full-time student status, the benefits ceased and could not be reinstated. PERS' modification allows the System to reinstate the benefits to a child between the ages of 18-23 if the child returns to full-time student status.
- Provides a technical change to the Judicial Retirement Act to clarify provisions

regarding participation in the Judicial Retirement Plan.

Other bills that the System was tracking, and the Retirement Board took a position on, are listed below with the final status of each bill.

**Senate Bill 46** – This bill allows for increases in the assumed wage paid to PERS on behalf of volunteer firefighters. The Board was neutral on this bill. The bill passed and was signed by the Governor on June 3<sup>rd</sup>. Effective July 1, 2005.

**Senate Bill 122** – This bill authorizes certain public employees with active military service to purchase additional years of service in the Public Employees' Retirement System. The Board was neutral on this bill. The bill passed and was signed by the Governor on June 6<sup>th</sup>. Effective June 6, 2005.

**Senate Bill 346** – This bill revises provisions relating to the Legislators' Retirement System by making participation in the System optional. The Board was neutral on this bill. The bill passed and was signed by the Governor on June 13<sup>th</sup>. Effective June 13, 2005.

**Senate Bill 369** – This bill makes various changes regarding the judiciary. The Board was neutral on this bill. The bill passed and was delivered to the Governor June 13<sup>th</sup>. Effective July 1, 2005.

**Senate Bill 438** – This bill authorizes justices of the peace and municipal judges to participate in the Judicial Retirement Plan under certain circumstances. The Board was neutral on this bill. The bill passed and was signed by the Governor on June 6<sup>th</sup>. Effective July 1, 2005. ►

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## Protect Yourself from Identity Theft

Identity theft is one of the fastest growing crimes in America. With a Social Security number thieves can gain access to personal information, apply for credit cards – and not pay the bills. You may not know that someone has used your identity until you receive mysterious bills or are turned down for credit. A person can spend months or years – and their hard earned money – cleaning up the mess thieves have made of their good name and credit record.

Your Social Security number is confidential. PERS will not give it to anyone, except when authorized by law or with your written permission. Be careful about sharing your number with anyone, even when you are provided with a service.

Various experts offer the following hints to protect your identity:

- When giving out personal information by phone, be certain you know exactly how it will be used. Never give out personal information to phone solicitors or unknown organizations.
- Be certain others are not listening when giving out your information.
- Do not carry credit cards, social security card, birth certificate, and

other personal documents unless necessary.

- Don't print social security numbers or date of birth on personal checks.
- Don't use a social security number as a PIN or Password.
- Don't leave envelopes containing payments in an unsecured mailbox.
- Shred or tear up pre-approved credit card offers, convenience checks, receipts, bills, and other financial information you wish to discard.
- Monitor your credit report for fraudulent activity and report such activity immediately to the Fraud Department of any one of the three major credit bureaus.
- Keep up to date on information to protect against identity theft.

The Federal Trade Commission (FTC) recommends the following steps if you think your identity has been stolen:

1. Contact the fraud department of one of the three major credit bureaus to place a fraud alert on your credit file. The fraud alert requests creditors contact you before opening any new accounts or making any changes to your existing accounts. As soon as the credit bureau confirms your fraud alert, the other two credit bureaus will be automatically notified to place fraud alerts, and all three credit

credit reports will be sent to you free of charge.

2. Close the accounts that you know or believe have been tampered with or opened fraudulently. Use the FTC's ID Theft Affidavit when disputing new unauthorized accounts.
3. File a police report. Get a copy of the report to submit to your creditors and others that may require proof of the crime.
4. File your complaint with the FTC. They maintain a database of identity theft cases used by law enforcement agencies for investigations. Filing a complaint also helps them learn more about identity theft and the problems victims are having so they can better assist you. ■

### CREDIT REPORTING AGENCIES:

**Equifax** [www.equifax.com](http://www.equifax.com)  
Report Fraud: 1-800-525-6285  
Credit Report: 1-800-685-1111

**Experian** [www.experian.com](http://www.experian.com)  
Report Fraud: 1-888-397-3742  
Credit Report: 1-888-EXPERIAN  
(1-888-397-3742)

**TransUnion** [www.tuc.com](http://www.tuc.com)  
Report Fraud: 1-800-680-7289  
Credit Report: 1-800-916-8800

## Direct Deposit of Monthly Benefit Check

Have you found yourself at the end of the month waiting for your PERS' benefit check in the mail? PERS receives calls every month from retirees whose check was not received when they expected it. Several situations can delay the delivery of your check; a change of address, federal and state holidays, lost or stolen mail.

You can eliminate the stress and worry with Automatic Deposit. With automatic deposit your retirement benefit will be electronically trans-

ferred into your checking or savings account, which removes the possibility of a delayed, lost, or stolen paper check. Automatic deposit ensures your money will be in your bank account on the date PERS releases the funds.

To sign up for automatic deposit of your retirement check complete an Authorization of Automatic Deposit form. The form is available through our office or can be printed from our website at [www.nypers.org](http://www.nypers.org). ■

### Check Mail Dates\*

July 26, 2005  
August 26, 2005  
September 27, 2005  
October 25, 2005  
November 23, 2005  
December 27, 2005

\*Remember with Automatic Deposit your funds will be in your account on the above dates.

# Managing Risk Through Diversification

The investment objective for the Public Employees' Retirement System is to generate a long-term return of 8% while *managing risk*. Often when investors address their goals, the focus is strictly on returns. However, we believe risk is equally important to investment success.

Investment risk falls in two primary categories, statistical and "emotional." Statistical risk is the volatility in prices an investor experiences on a day to day basis. Emotional risk is typically reflected in a single event that may detract from capturing goals, short term. For example, if an investment drops significantly in value, the investor may sell for other than fundamental financial reasons. An academic discipline referred to as "behavioral finance" has developed around this concept.

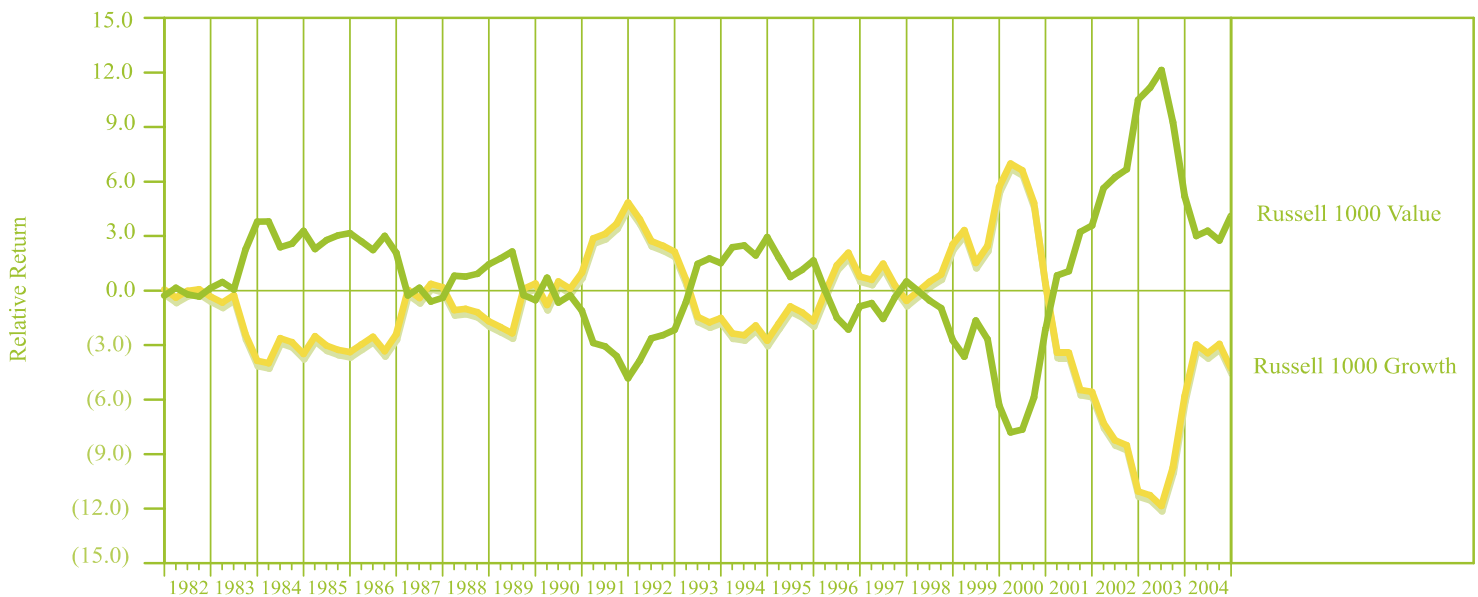
The primary tool that we use to manage risk, of any kind, is diversification. Not all assets and styles of investment react to movements in the markets in the same manner. Therefore, when one style or manager is out of favor, it can be offset by a manager or style that is doing well (example below).

We employ diversification at all levels in PERS' investment program. Beginning with broad asset classes, we diversify our exposure through the use of U.S. stocks, international stocks, U.S. bonds, international bonds and alternative investments. The risk reduction benefit is particularly apparent with the use of non-U.S. investments. These assets have helped our returns significantly in periods when U.S. stock and bond results have been disappointing.

We also employ diversification at the manager level. PERS' uses 27 different investment firms to ensure the performance from one strategy or organization does not dominate the fund. Finally, at the security level, the fund holds over 3,000 stock, bond, and alternative investments.

The bottom line is that most portfolios, at times, will generate disappointing returns. Through diversification, those losses can be offset by returns from other investments. This has certainly been the case with PERS. Even with those disappointing periods, the fund has generated an average annual return of 11.0% for the last 20¼-years. While we pay a price during the "good times", diversification will always be a hallmark of our investment program. ■

Rolling 12 Quarter Relative Return Relative To Russell 1000 Index  
for 23 Years Ended December 31, 2004



## PERS Contact Information



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## PERS' Feature Retiree

The response to our request for your retirement stories has been very exciting for us here at PERS. We have enjoyed reading about your travels, hobbies, volunteer work, and adventures.

Read on to see how the security of a PERS benefit and some planning have made dreams come true...

*"PERS and some years of planning helped make my dream of being a farmer come true. I retired in 1998 after 21 years as a Police Officer, Sergeant, and Trooper. My wife Phan is from northern Thailand and over my pre-retirement years I had visited her home country in the beautiful green hills of the north of Thailand. On one visit we walked by a piece of land near her father's farm that caught my eye, it was over two acres of fruit trees that*

*was at one time part of a lovely orchard. Phan and I looked the land over and we agreed that this could be our PARADISE. We found out that the owner would sell, but the price was high for such a remote spot. Four years went by and our nest egg for our dream grew.*

*One day my father-in-law telephoned us in Las Vegas and wanted to know if we were still interested in the orchard. We assured him that we were but the price must be within our budget. On our next visit to Thailand at a family dinner at Phan's folks, her Dad handed us a deed to the land and said "It's a gift from us". The old fox had managed to buy our dream for a fraction of what I was asked to pay years earlier. We built a home, a barn, and two other out buildings and we now have a working farm complete with chickens, pigs, rab-*

*bits, fish, dogs, and cats. We call our home KENNEDY'S PARADISE.*

*My PERS' check arrives on time every month and is an important part of our retirement package. I've never been happier. The advice I would give to future retirees is to count on PERS as a part of your plan and not the sum of it. With a little work and careful planning your dreams can come true. Good Luck."*

*Jack Kennedy  
Kennedy's Paradise  
Thailand*

PERS Feature Retiree will be a continuing article in our quarterly newsletter. If you'd like to share your story, send it to: PERS Newsletter, 693 W. Nye Lane, Carson City, NV 89703. ■

## 2005 Legislative Wrap-Up (continued)

**Senate Bill 485** – This bill temporarily extends the sunset period for critical labor shortage positions to June 30, 2009, with an experience study to be conducted by PERS in 2008. The Board was neutral on this bill. The bill passed and was signed by the Governor on June 8<sup>th</sup>. Effective June 8, 2005.

If you are interested in the status of any other bills you may log on to the Nevada State Legislature website at [www.leg.state.nv.us](http://www.leg.state.nv.us). ■

This publication is intended to provide general information. If there is any conflict between this information and Nevada laws or PERS policies, the laws and policies will supersede this information.

*Retiree News* is a quarterly newsletter for retired members and benefit recipients of the Public Employees' Retirement System of Nevada. Comments or suggestions may be directed to: PERS, Newsletter, 693 W. Nye Lane, Carson City, Nevada 89703

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**We're on the Web!**  
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